

ACCESS TO PSYCHOLOGISTS AND OPTOMETRISTS UNDER FEDERAL HEALTH BENEFITS PROGRAM

FEBRUARY 27, 1974.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. WALDIE, from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany H.R. 9440]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 9440) to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That section 8902 of title 5, United States Code, is amended by adding at the end thereof the following:

"(j) When a contract under this subchapter requires payment or reimbursement for services which may be performed by a psychologist or optometrist, licensed or certified as such under Federal or State law, as applicable, an employee, annuitant, or family member covered by the contract shall be free to select, and shall have direct access to, such a psychologist or optometrist without supervision or referral by another health practitioner and shall be entitled under the contract to have payment or reimbursement made to him or on his behalf for the services performed. The provisions of this subsection shall not apply to group practice prepayment plans."

SEC. 2. The amendment made by this Act shall become effective with respect to any contract entered into or renewed on or after the date of enactment of this Act.

EXPLANATION OF AMENDMENT

The amendment makes several technical corrections in the language of the provision and includes language which exempts group practice prepayment plans.

PURPOSE

The purpose of this legislation is to allow participants under the Federal employees' health benefits program to have direct access to licensed psychologists or optometrists without the necessity of supervision or referral by another health practitioner.

COMMITTEE ACTION

Hearings on this legislation were conducted by the Subcommittee on Retirement and Employee Benefits on July 24, 1973 (hearing No. 93-20).

H.R. 9440 was approved by the subcommittee by a unanimous voice vote, and the full committee ordered the bill reported by a unanimous voice vote.

STATEMENT

Under many of the existing contracts between the Civil Service Commission and various health insurance carriers, participants under the Federal employees' health benefits program must be referred to a psychologist or optometrist by a licensed medical physician in order to receive payment or reimbursement for the services performed by a psychologist or optometrist. H.R. 9440 amends the Federal employee health benefits provisions (5 U.S.C. 8902(j)) to require that when a contract, entered into after the effective date of the enactment, provides for payment or reimbursement for services performed by a licensed or certified psychologist or optometrist, the participants under that health benefits contract will have direct access to the psychologists or optometrists without the necessity of supervision or referral by a physician.

The Civil Service Commission has stated that their primary objection to the bill is simply that it would legislate provisions that previously have been left to contract negotiation. The committee has determined that the restrictions on participants' access to psychologists and optometrists are neither reasonable nor justified, and has found no valid reason why the existing law should not be amended to correct this inequity. In fact, the Civil Service Commission's former Director of the Bureau of Retirement, Insurance and Occupational Health stated in testimony on November 23, 1971, before the Senate Post Office and Civil Service Subcommittee on Compensation and Employment, that "the clinical psychologist can perform responsibly without direction and supervision of the physician." Furthermore, Aetna Life & Casualty, one of the two Governmentwide insurance carriers, granted participants under its plan direct access to the services of psychologists in 1971 and direct access to the services of optometrists in 1973. Additionally, 42 States now have provisions in their insurance codes which allow optometrists to be providers of covered services.

Many of the plans under the Federal employees' health benefits program have maintained their requirements for physician supervision and referral in the belief that this procedure is necessary in order to maintain a high quality of health services. However, with respect to mental health services, the "referring physician" often has no expertise in mental health care. In this regard, Mr. William Ryan, senior vice president of the National Association of Blue Shield Plans, in testimony before the House Post Office and Civil Service Subcommittee on Retirement and Employee Benefits in July 1973, stated:

Neither have we required that the attending physician be a psychiatrist. * * * However, the contract specifies physician direction and supervision, regardless of specialty, and in the interests of all the parties, we administer it accordingly.

At the present time 46 States and the District of Columbia license or certify psychologists to provide mental health services, and all States license or certify optometrists to provide certain eye care services. The States have established standards by which to judge the competency of psychologists and optometrists to provide health services and have identified the types of services each may provide.

In view of the above the committee can find no justification for requiring supervision or referral by a physician in order for participants under the Federal employees' health benefits contract to be entitled to payment or reimbursement for the services performed by psychologists or optometrists. In this connection it is important to note that H.R. 9440 does not expand the benefits to which participants are entitled under the various health benefits plans but only identifies which particular health practitioners may provide the services without referral when a contract provides for such services.

SECTION ANALYSIS

The first section of the bill amends section 8902 of title 5, United States Code, by adding a new subsection (j) at the end thereof. The new subsection provides that an employee, annuitant, or family member who is covered by a contract under the Federal employee health benefits provisions of title 5, United States Code, shall be free to select, and shall have direct access to, a psychologist or optometrist, licensed or certified as such under applicable Federal or State law, without the necessity of supervision or referral by another health practitioner when the contract requires payment or reimbursement for services which may be performed by a psychologist or optometrist. When services have been performed by a psychologist or optometrist under the above-stated conditions, the employee, annuitant, or family member, as the case may be, shall be entitled to have payment or reimbursement made to him or on his behalf for such services.

It is important to note that the provisions of the new subsection (j) apply only with respect to contracts containing provisions which require payment or reimbursement for services which may be performed by a psychologist or optometrist. The intent of this legislation merely is to eliminate the necessity of supervision or referral by another health practitioner in the case of services performed by a psychologist or optometrist. However, if the contract does not provide benefits covering the services of psychologists or optometrists, the provisions of the new subsection (j) will not apply. In other words it is not the intent of this legislation to require that all contracts under the Federal employees' health benefits program include benefits covering the services of psychologists and optometrists.

The provisions of the new subsection (j) are not applicable to group practice prepayment plans.

Section 2 of the bill provides that the provisions of the new subsection (j) of section 8902 shall become effective with respect to any contract entered into or renewed on or after the date of enactment of the act.

Cost

There is some speculation that the enactment of this legislation would lead to increased use of services provided by psychologists or

optometrists and thereby result in increased health insurance premiums. However, the committee has been furnished no evidence showing that any additional cost to the Government would result from the enactment of this legislation.

ADMINISTRATIVE REPORT

The report of the U.S. Civil Service Commission on H.R. 9440 is set forth below.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., February 7, 1974.

HON. THADEUS J. DULSKI.

Chairman, Committee on Post Office and Civil Service, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your request for the Commission's views on H.R. 9440, a bill "To provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program."

H.R. 9440 would impose a legal requirement that any plan (except a group practice plan) in the Federal employees' health benefits program in which the contract provides benefits for a service which could be provided by psychologists or optometrists, pay or reimburse for such service when provided by those practitioners for a covered individual, without supervision or referral by another health practitioners, i.e., a physician.

Presently, the nongroup practice plans provide benefits for extremely few, if any, services generally provided by optometrists.

With respect to services of psychologists, the Government-wide Indemnity Benefit Plan already covers them without referral or supervision by a physician and the Government-wide Service Benefit Plan covers them when they are performed at the Direction and under the supervision of a physician. The Government-wide plans are open for enrollment to any Federal employee or annuitant so that any employee who prefers a plan that covers psychologists' services without referral or supervision by a physician may enroll in the Government-wide Indemnity Benefit Plan.

The Commission believes, as a matter of principle, that all carriers should not be required by law to provide identical coverage or benefits above certain minimum levels. The fact that plans are different helps to make them competitive and provides employees with a meaningful choice that enables them to select a plan that most nearly fits their needs. Where there is a significant employee need or demand for a particular benefit which can be provided at reasonable premium cost, carriers usually offer it in order to attract enrollment of interested employees.

We believe that enactment of H.R. 9440 would operate to increase the premium of the Government-wide plans and, therefore, the contributions of employees and the Government, but there is no way of estimating the amounts of increase.

For the reasons mentioned herein, the Commission believes that enactment of H.R. 9440 would not be in the best interests of employees of the Government and is opposed to enactment.

The Office of Management and Budget advises that, from the standpoint of the administration's program, there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

ROBERT HAMPTON,
Chairman.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 8902 OF TITLE 5, UNITED STATES CODE

CHAPTER 89.—HEALTH INSURANCE

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§ 8902. Contracting authority

(a) The Civil Service Commission may contract with qualified carriers offering plans described by section 8903 of this title, without regard to section 5 of title 41 or other statute requiring competitive bidding. Each contract shall be for a uniform term of at least 1 year, but may be made automatically renewable from term to term in the absence of notice of termination by either party.

(b) To be eligible as a carrier for the plan described by section 8903(2) of this title, a company must be licensed to issue group health insurance in all the States and the District of Columbia.

(c) A contract for a plan described by section 8903(1) or (2) of this title shall require the carrier—

(1) to reinsure with other companies which elect to participate, under an equitable formula based on the total amount of their group health insurance benefit payments in the United States during the latest year for which the information is available, to be determined by the carrier and approved by the Commission; or

(2) to allocate its rights and obligations under the contract among its affiliates which elect to participate, under an equitable formula to be determined by the carrier and the affiliates and approved by the Commission.

(d) Each contract under this chapter shall contain a detailed statement of benefits offered and shall include such maximums, limitations, exclusions, and other definitions of benefits as the Commission considers necessary or desirable.

(e) The Commission may prescribe reasonable minimum standards for health benefits plans described by section 8903 of this title and for carriers offering the plans. Approval of a plan may be withdrawn only after notice and opportunity for hearing to the carrier concerned without regard to subchapter II of chapter 5 and chapter 7 of this title. The Commission may terminate the contract of a carrier effective at the end of the contract term, if the Commission finds that at no time during the preceding two contract terms did the carrier have 300

or more employees and annuitants, exclusive of family members, enrolled in the plan.

(f) A contract may not be made or a plan approved which excludes an individual because of race, sex, health status, or, at the time of the first opportunity to enroll, because of age.

(g) A contract may not be made or a plan approved which does not offer to each employee or annuitant whose enrollment in the plan is ended, except by a cancellation of enrollment, a temporary extension of coverage during which he may exercise the option to convert, without evidence of good health, to a nongroup contract providing health benefits. An employee or annuitant who exercises this option shall pay the full periodic charges of the nongroup contract.

(h) The benefits and coverage made available under subsection (g) of this section are noncancelable by the carrier except for fraud, over-insurance, or nonpayment of periodic charges.

(i) Rates charged under health benefits plans described by section 8903 of this title shall reasonably and equitably reflect the cost of the benefits provided. Rates under health benefits plans described by section 8903 (1) and (2) of this title shall be determined on a basis which, in the judgment of the Commission, is consistent with the lowest schedule of basic rates generally charged for new group health benefit plans issued to large employers. The rates determined for the first contract term shall be continued for later contract terms, except that they may be readjusted for any later term, based on past experience and benefit adjustments under the later contract. Any readjustment in rates shall be made in advance of the contract term in which they will apply and on a basis which, in the judgment of the Commission, is consistent with the general practice of carriers which issue group health benefit plans to large employers.

(j) *When a contract under this subchapter requires payment or reimbursement for services which may be performed by a psychologist or optometrist, licensed or certified as such under Federal or State law, as applicable, an employee, annuitant, or family member covered by the contract shall be free to select, and shall have direct access to, such a psychologist or optometrist without supervision or referral by another health practitioner and shall be entitled under the contract to have payment or reimbursement made to him or on his behalf for the services performed. The provisions of this subsection shall not apply to group practice prepayment plans.*

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